Statements of Intent were signed between the Government of India and the Government of U.S.A during the recent visit of US Secretary the of India. Tne Statements of Intent provide for their coming into effect after conclusion of an Agreement between the Government of India and the Government of U.S.A. on cooperation in Science and Technology.

(d) No, Sir.

Agreement between Maharashtra Government and Enron Development Corporation

1052. SHRI S. JAIPAL REDDY: Will the Minister of POWER be pleased to state:

(a) whether Government have received any request from the Enron Development Corporation, the promoters for the Dhabol Power Project in Maharashtra, to introduce an arbitration clause for the settlement of disputes in overseas courts;

(b) if so, what are the details in this regard;

(c) what are the details of the agreement signed between Maharashtra Government and the Enron Development Corporation in respect of Enron Power Project at Dhabol;

(d) whether the Enron Development Corporation is subject to Indian laws since its operation will be carried out in India;

(e) if so, to what extent the inroduction of an arbitration procedure for outside settlement of disputes is likely to affect the agreements entered by Government or Indian companies with Foreign Governments and companies;

(f) what are the details of the extra incentives being provided to Enron in the aforesaid agreements and also to other foreign investors in the power sector that were not available to Indian investors and what are the reasons for the provision of extra incentives; and

(g) what steps have been taken by Government to safeguard the country's interest in the agreements entered into with the foreign investors?

THE MINISTER OF STATE IN THE MINISTRY OF POWER (SHRI P. V. RANGAYYA NAIDU): (a) Yes, Sir.

(b), (d) and (e) The details are under finalisation.

(c) Government of Maharashtra have given a guarantee to the Dabhol Power Company in respect of payment obligations of the Maharashtra State Electricity Board under the Power Purchase Agreement. The Govt. of Maharashtra have also signed a State Support Agreement conveying that they shall support the Company in getting various clearances expedited.

(f) The policy is identical in respect of incentives for both Indian and foreign private power developers.

(g) The Government of India's Private Power Policy ensures safeguarding the economic interest of country.

Power Supply to Railways by NTPC

1053. SHRI S. MADHAVAN:
SHRI SOM PAL:
SHRI SARADA MOHANTY:

Will the Minister of POWER be pleased to state:

(a) whether the State Electricity Boards are supplying power to the Railways and if so at what price;

(b) wheher the National Thermal Power Corporation has offered to sell power to the Railways directly and if so, at what prices; and

(c) whether the State Electricity Boards were consulted in this matter

and if so, what are their views about the supply of power to the Railways directly by the National Thermal Power Corporation?

THE MINISTER OF STATE IN THE MINISTRY OF POWER (SHRI P. V. RANGAYYA NAIDU): (a) Information is being collected will be laid on the Table of the House.

(b) and (c) The Government of India have permitted Central Public Sector Undertakings including the National Thermal Power Corporation (NTPC) to supply power directly to the Railways through the Railways own transmission lines. However, the Railways were advised to settle the matter mutually with the concerned State Electricity Board (SEB), as the Railways might be requiring back up support from SEB network even where direct power supply is available from central public sector undertakings.

Proposal of ICMC Power Consortium

1054. SHRI S. MADHAVAN: Will the Minister of POWER be pleased to state:

(a) whether the U.S. based ICMC Power Consortium has proposed to invest in infrastructure projects in India; and

(b) if so, what are the details thereof?

THE MINISTER OF STATE IN THE MINISTRY OF POWER (SHRI P. V. RANGAYYA NAIDU): (a) Yes Sir.

(b) M/s. International Contracting and Marketing Corporation (ICMC). USA presently has proposed to set up a 1000 MW Thermal Power Station at Cuddalore in Tamil Nadu.

Loans to SEBs by Power Finance Corporation (PFC)

1055. SHRI KRISHNA KUMAR BIRLA: Will the Minister of POWER be pleased to state:

(a) whether the Power Finance Corporation has sanctioned new loans for power projects of various SEBs;

(b) if so, the terms and conditions of the loan agreement;

(c) the SEBs to which loans have been granted; and

(d) to what extent the viability of SEBs is likely to be improved?

THE MINISTER OF STATE IN THE MINISTRY OF POWER (SHRI P. V. RANGAYYA NAIDU): (a) Yes, Sir.

(b) The general conditions or eligibility of PFC's loans are enclosed at Statement. (*See* below)

(c) During 1994-95 (upto June, 1994) PFC has sanctioned loans to Andhra Pradesh State Electricity Board, Karnataka Electricity Board, Orissa State Electricity Board, Rajasthan State Electricity Board and Tamil Nadu Electricity Board.

(d) Eligibility criteria for availing loans from PFC include signing of an Operational and Financial Action Plan (OFAP) which commits the concerned SEBs to register overall improvement in their financial performance. The loan assistance being given by PFC mainly fall in the priority areas such as Renovation & Modernisation of old plants, capacitor installation, urban distribution, system improvement etc. which when implemented would improve the viability of SEBs considerably.

Statement

General Conditions for eligibility of Power Finance Corporation's Loan

Following are the main eligibility criteria to be fulfilled by the borrower for getting PFC's loan assistance:-

1.* In the case of SEB, it should have generally achieved at least 3 per cent Rate of Return on the net fixed assets employed.

2. For consideration of eligibility to get loan from 1993-94 and onward,